PRODUCTION

Holiday slices auto output

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Last week's U.S. auto production dipped tremendously from the prior week's build because of the holiday and downtime at several plants.

Automakers scheduled 81,980 cars last week, 43.74 percent below the previous week's 145,711 and 25.34 percent below the year-ago week's 109,799. The year-ago week's output was also affected by the holiday.

So far this year, 3,945,521 cars have been assembled, 9.54 percent below the 4,361,712 completed last year at this point.

Last week's targeted build was split as follows: General Motors, 72.07 percent; Chrysler Motors, 14.33 percent; Honda of America Manufacturing Inc., 7.99 percent; New United Motor Manufacturing Inc., 3.66 percent; and Volkswagen of America, 1.95 percent.

Nissan Motor Manufacturing Co. U.S.A. and Ford Motor Co. plants were idle last week for vacation. The plants are scheduled to resume output July 13.

As noted earlier, American Motors has ended output of its 1987 Alliance line.

GM's Wentzville, Mo., and Lansing (No. 2), Mich., plants shut down today for model changeover. The Wentzville plant is expected to re-open Aug. 3; the first shift at Lansing will resume Aug. 8; the second shift, Aug. 17.

GM's Orion Township, Mich., plant will be closed from July 8 to Aug. 17 for model changeover.

The following GM plants remain down for model changeover: Clark Avenue, Detroit, until July 22; Leeds, Mo., until Aug. 3; Lordstown, Ohio until Aug. 24; Pontiac Fiero in Pontiac, Mich. until Aug. 24; Detroit-Hamtramck, until Aug. 24; Arlington, Texas, until Sept. 14; and Doraville, Ga., until November.

As previously reported, Chrysler's Belvidere, Ill., and Newark, Del., plants are idle for model changeover. Both are expected to resume production in mid-July.

All assembly plants were closed Friday for the holiday.

Truck build drops in short week

Last week's estimated domestic truck production fell 54.21 percent to 33,260 from the previous week's 72,643, due to the holiday and plant downtime.

The week's output was 15.58 percent below the year-ago week's 39,398, which was also a holiday week.

Year-to-date, 1,922,187 trucks have been assembled, 1.80 percent more than the 1,888,212 built last year at this time.

Ford Motor Co. and Nissan Motor Manufacturing Co. U.S.A. plants were idle last week for vacation. Production is slated to resume July 13.

All plants were closed last Friday for the holiday.

A holiday week in Canada, too

Car and truck production in Canada fell last week from the previous week's output because of the Dominion Day holiday.

Last week's targeted Canadian auto production totaled 12,592, 27.86 percent below the previous week's 17,455 and 33.38 percent below the year-ago week's 18,901.

So far this year, 430,210 cars have been built, 29.64 percent below the 611,453 completed last year at this point.

Truck output of 14,056 units last week was 25.32 percent below the prior week's 18,822 but 11.58 percent more than the year-ago week's 12,597.

Year-to-date, 430,092 trucks have been assembled, 12.15 percent below the 489,578 built last year at this time.

Canadian plants were closed last Friday for Dominion Day.

CANADIAN CAR	Week Ended July 4, 1987	Week Ended July 5, 1986	Week Ended June 27, 1987	June Est.	Jan. 1 to July 5, 1986	Jan. 1 to July 4, 1987
AMERICAN MOTORS	110	0	0	244	2,405	2,966
FORD MOTOR	6,541	8,591	10,284	46,197	292,887	274,660
GENERAL MOTORS	5,441	10,130	6,549	27,834	310,430	143,209
HONDA	320	0	417	1,578	0	3,885
VOLVO	180	180	225	972	5,731	5,490
Total Cars, Canada	12,592	18,901	17,455	76,826	611,453	430,210
U.S. TRUCK☆						
CHEVROLET	16,497	18,112	19,008	85,377	638,770	565,492
DODGE	6,100	4,416	7,968	33,337	37,992	145,222
FORD	0	1,780	29,245	121,528	755,430	761,053
GMC	6,570	5,857	8,268	34,456	189,516	197,331
NAVISTAR	1,343	1,290	1,682	7,222	40,117	39,858
JEEP	0	2,997	3,726	17,727	98,850	108,738
NISSAN	0	3,056	0	5,417	67,395	40,543
AM GENERAL*	450	40	450	1,980	1,312	6,450
MISCELLANEOUS*	2,300	1,840	2,300	10,120	59,240	57,500
Total Trucks, U.S.	33,260	39,398	72,643	317,162	1,888,212	1,922,187
CANADIAN TRUCK						
AMERICAN MOTORS	775	705	759	3,395	13,963	17,524
CHRYSLER	5,450	4,231	8,684	36,509	222,519	214,123
FORD	3,040	2,769	3,502	14,851	92,786	82,673
GENERAL MOTORS	4,616	4,735	5,571	22,639	155,032	110,667
NAVISTAR	181	157	226	971	5,256	5,105
Total Trks., Canada	14,056	12,597	18,822	78,365	489,578	430,092
N. Am. Trucks	47,316	51,995	91,465	395,527	2,377,790	2,352,279

—Includes sticker van production. *—Estimate.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mitsubishi-Sterling, etc.
Monthly estimates may contain error of one or two units due to rounding.

U.S. CAR	Week Ended July 4, 1987	Week Ended July 5, 1986	Week Ended June 27, 1987	June Est.	Jan. 1 to July 5, 1986	Jan. 1 to July 4, 1987
AMERICAN MOTORS	0	0		673	28,595	15,350
Renault Total	0	0	0	673	28,595	15,839
Alliance	0	0	0	673	28,329	15,539
Encore	0	0	0	0	3,266	0
CHRYSLER MOTORS	11,750	28,615	20,928	95,223	741,049	586,666
Plymouth Total	2,250	7,815	4,909	23,023	219,790	179,686
Horizon	0	3,249	0	0	86,107	32,997
Sundance	1,200	269	1,825	6,270	1,140	54,308
Reliant	300	2,982	1,950	9,712	95,102	61,096
Caravelle	700	616	1,002	4,472	27,471	29,322
Gran Fury	50	517	132	571	9,970	2,363
Chrysler Total	5,600	8,450	7,983	37,438	241,323	197,851
Laser	0	666	0	0	25,979	0
LeBaron K	0	1,653	575	5,808	61,291	42,276
LeBaron J	2,600	0	3,480	14,444	0	84,402
LeBaron GTS	600	2,122	920	4,269	36,337	22,987
N. Yorker/E-Class	1,500	1,171	1,739	7,407	46,830	45,358
Fifth Avenue	900	2,838	1,279	5,493	70,896	22,776
Dodge Total	3,900	12,750	8,026	34,760	279,935	216,381
Daytona	1,300	1,125	1,747	7,229	28,325	31,694
Omni	0	4,124	0	0	81,396	28,363
Shadow	1,200	253	2,283	9,904	1,017	55,560
Aries	300	3,119	2,254	9,383	73,633	58,257
Dodge 600	600	1,566	966	4,217	45,019	25,764
Lancer	400	1,313	530	2,519	30,842	14,466
Diplomat	200	1,250	276	1,508	19,852	4,277
FORD MOTOR	0	3,571	37,070	155,674	946,285	996,120
Ford Division	0	2,979	27,516	113,318	646,658	702,102
Escort	0	0	8,661	33,998	263,895	191,122
Mustang	0	2,979	4,372	17,924	103,873	110,229
Tempo	0	0	2,801	14,266	105,393	97,181
Taurus	0	0	7,998	31,928	148,532	218,716
Thunderbird	0	0	3,684	15,202	84,965	84,854
L-M Division	0	592	9,554	42,356	239,627	294,018
Mercury Total	0	592	6,494	27,078	205,721	200,490
Lynx	0	0	251	900	34,185	20,016
Capri	0	592	0	0	9,889	0
Topaz	0	0	1,094	5,491	31,796	32,207
Cougar	0	0	2,541	10,228	65,593	78,792
Sable	0	0	2,608	10,461	64,256	69,473
Lincoln Total	0	0	3,060	15,278	93,906	93,528
Continental	0	0	246	1,533	10,578	9,364
Lincoln	0	0	2,385	11,547	70,446	70,236
Mark VII	0	0	429	2,198	12,882	13,928
GENERAL MOTORS	59,080	71,962	75,350	320,055	2,384,460	1,939,219
Buick Total	10,867	14,623	12,687	52,691	420,128	312,472
Skyhawk	837	1,886	487	1,725	47,542	16,472
Century	2,686	3,933	2,743	13,223	132,663	94,982
Regal	958	1,648	924	4,180	36,032	24,262
Somerset/Skylark	811	2,154	1,159	4,971	58,727	37,414
LeSabre (fwd)	3,640	3,456	4,669	19,312	71,333	72,882
LeSabre (rwd)	106	284	64	301	7,800	5,269
Electra (fwd)	1,787	841	2,420	7,987	52,168	52,923
Riviera	30	421	241	991	13,861	8,268
Cadillac Total	4,156	4,779	5,517	23,478	181,074	156,076
Cimarron	200	323	202	828	14,681	7,605
Allante	150	0	152	633	0	2,230
Brougham (rwd)	540	0	1,062	4,504	49,102	38,711
DeVille (fwd)	2,290	3,212	2,868	12,621	92,227	84,002
Eldorado	480	615	650	2,574	13,259	10,668
Seville	416	629	583	2,318	11,805	12,860
Chevrolet Total	21,914	18,834	23,549	111,546	737,913	734,367
Chevette	0	1,645	0	0	58,918	0
Camaro	3,206	3,217	3,475	12,364	109,019	59,298
Cavalier	3,713	6,785	8,086	34,486	226,194	193,045
Celebrity	4,600	2,807	680	19,912	150,504	180,777
Corvica/Beretta	6,000	0	7548	28,012	0	147,182
Monte Carlo	939	1,748	1,108	5,152	60,577	37,875
Chevrolet	2,816	2,113	2,031	8,813	117,693	100,254
Corvette	640	519	642	2,829	15,008	15,936
Oldsmobile Total	11,559	18,291	17,147	66,684	562,547	377,047
Firenza	852	265	972	2,597	22,697	6,888
Calais	2,907	1,544	3,687	16,023	66,451	71,179
Cutlass Ciera	2,395	6,101	5,038	20,932	148,606	99,845
Cutlass Supreme	1,326	1,398	1,698	7,577	83,750	38,769
88 (fwd)	3,135	6,584	4,057	13,469	187,591	101,146
98 (rwd)	82	0	444	1,865	12,241	9,988
Olds 98	862	1,909	1,003	4,027	61,266	36,669
Toronado	180	490	550	2,194	9,945	9,964
Pontiac Total	10,584	15,435	16,450	63,654	452,800	379,257
Acadian*	0	539	0	0	10,658	0
Fiero	0	1,374	1,146	4,191	41,686	20,229
1000	0	641	0	0	19,157	0
Firebird	1,748	2,922	2,103	7,466	64,458	42,705
2000 Sunbird	0	2,620	2,046	9,195	77,355	58,876
Grand Am	4,200	3,783	5,933	25,259	118,930	136,848
6000	1,636	2,545	2,029	6,737	82,009	43,795
Bonneville	2,512	0	3097	10,187	0	71,045
Safari/Parisienne	488	1,011	98	616	38,547	5,759
HONDA	6,550	0	6,235	28,476	96,719	170,036
Civic	2,150	0	2204	11,618	0	57,543
Accord	4,400	0	4,031	16,858	96,719	112,493
NISSAN	0	0	0	8,891	21,517	67,784
NUMMI	3,000	3,832	4,093	17,380	95,172	99,805
Corolla	600	0	893	3,780	0	20,682
Nova	2,400	3,832	3,200	13,600	95,172	79,123
VOLKSWAGEN	1,600	1,619	2,035	8,703	47,916	41,150
Golf/GTI	1,400	1,619	1,785	7,623	47,916	34,799
Jetta	200	0	250	1,080	0	6,351
Total Cars, U.S.	81,980	109,799	145,711	635,075	4,361,712	3,945,521
Total Cars, Canada	12,592	18,901	17,455	76,826	611,453	430,210
N. American Cars	94,572	128,700	163,166	711,901	4,973,165	4,375,731
N. Am. Trucks	47,316	51,995	91,465	395,527	2,377,790	2,352,279
North American Cars and Trucks	141,888	180,695	254,631	1,107,428	7,350,955	6,728,010

*—All Acadians are built in Canada.
Monthly estimates may contain error of 500 or two units due to rounding.

RESOLD

Masco acquires Cars & Concepts

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

TAYLOR, Mich. — For the second time in less than a year, C&C and its wholly owned subsidiary, Cars & Concepts, have changed ownership.

Masco Industries announced Tuesday it purchased the Brighton, Mich.-based manufacturer of specially designed and installed convertibles, T-roofs, vinyl roofs and sunroofs for an undisclosed amount.

Masco is not expected to change the management of C&C. "We buy good companies and keep the management," a Masco spokesman said. "We don't buy turn-around companies and fire the management."

The fit gives Masco manufacturing capability and provides C&C with a greater engineering base.

The long-range plan is for C&C to become a coach builder for luxury cars, sports or recreation vehicles.

C&C was purchased in a highly leveraged management buyout last August for roughly $25 million from entrepreneur and company founder Richard R. Chrysler, who then turned his attentions toward politics in an unsuccessful bid for the Michigan governorship.

David L. Draper, company president; Mel Raznick, an attorney; and five other top-level C&C managers constituted the buyout team at that time.

In February, C&C said it would make a public offering of 1.2 million shares of its common stock. Company officials expected shares to be in the $13 to $15 range, but the proposed offering never left the ground. However, it did spur inquiries from companies like Masco.

"Interest by Masco and other companies was strong enough to delay the stock offering and pursue other possibilities," said a C&C spokesman.

Although the 1986 fiscal year ended Aug. 31 was a record year for C&C, with roughly $100 million in sales, a company official labeled the following quarter as the worst in company history, saying retooling by Ford and C&C for the Mustang took 60 days.

He said the company had record sales again in March and April of this year.

John C. Nicholls Jr., Masco director of investor relations, said C&C was profitable but "had some working capital problems which it obviously doesn't have now."

Masco posted sales of $712 million last year.

All three domestic automakers are customers of C&C in addition to a large portion of the the aftermarket. Ford is the company's largest customer with an estimated 25 percent of C&C's business.

Masco Industries, based in Taylor, Mich., maufactures custom engineered and other specialty commercial and industrial products. For the auto industry, it makes engine and drivetrain parts.

The company recently acquired two other Michigan companies, Taylor Building Products and Tom McGuane Industries, with combined sales of approximately $150 million.

The aggregate purchase price of the three companies is approximately $100 million in cash and common stock. Additional purchase price payments are contingent on increases in future earnings of the acquired companies.

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Analysts see 4% dip in profits

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

The Big 3 automakers are expected to report combined second-quarter profits of about $2.44 billion, about 4 percent less than they earned in the second quarter of 1986.

Higher profits are expected at Ford Motor Co. General Motors and Chrysler Corp. earnings are predicted to be lower than in 1986.

GM and Ford will announce their financial results the week of July 20. Chrysler's will be released later in the month.

Based on an average of forecasts by auto anlysts, the Big 3 will report combined earnings of $2.44 billion in the second quarter, compared with $2.54 billion in the second quarter of 1986.

EARNINGS FORECAST
(in millions)
GM
Ford
Chrysler
Big 3
2nd Qtr. '87* $ 800 $1,400 $ 235 $2,435
2nd Qtr. '86 978 1,078 488 2,544
Full-Yr. '87* 2,840 4,600 800 8,240
Full-Yr. '86 2,945 3,285 1,400 7,630
(Averages of 11 auto analysts for GM and Ford; 9 for Chrysler)*

AUTOMOTIVE NEWS/CHARLOTTE WINTER

Analysts estimate GM will report earnings of about $800 million for the second quarter, down from last year's second-quarter profit of $978 million.

Analysts point out that GM is expected to make a change in its accounting procedures which would boost its bottom line by nearly $360 million for the year. However, it is not known in which quarter GM will make the change.

Ford is expected to report second-quarter profits of $1.40 billion, a 30 percent increase from 1986's second quarter earnings of $1.08 billion.

Chrysler is expected to report profits of about $235 million for the second quarter, compared with $488 million in the year-ago period.

Combined full-year earnings for the Big 3 are now predicted to be higher in 1987 than they were in 1986, based on an average of forecasts by the auto analysts.

They predict the Big 3 will earn $8.24 billion in 1987. That would be an 8 percent increase over 1986's combined profits of $7.63 billion.

In April, an average of forecasts put Big 3 earnings at $6.70 billion for 1987, which would be a 12 percent decrease.

Recently, analysts have significantly boosted forecasts for Ford and, to a lesser degree, GM. They have downgraded their earnings estimates for Chrysler because of its purchase of American Motors.

However, forecasts for Ford and GM vary widely.

Ford, based on the average, will earn $4.60 billion for the year, compared with $3.29 billion in 1986. Estimates vary by as much as $5 a share, which would mean an earnings range from about $3.99 billion to a high of $5.32 billion. The April average of estimates put Ford earnings at only $3.05 billion.

The average forecast for GM now is $2.84 billion for the year, compared with 1986 earnings of $2.95 billion. But analysts' predictions range from $1.98 billion to $3.6 billion. The previous average of estimates put GM's full-year earnings at $2.45 billion.

Analysts expect Chrysler to earn about $800 million for the year, compared with $1.40 billion in 1987. The range for Chrysler is $674 million to $921 million. Before announcement of the AMC purchase, Chrysler's full-year earnings were expected to be $1.17 billion.

GM planning V-12, new V-8 for Cadillac

Lotus involved in program; engines aimed at '92 models

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is developing a 12-cylinder engine that may eventually wind up in an all-new Cadillac.

Sources say the 12-cylinder engine, as well as a new V-8, are being developed for exclusive use by Cadillac. The V-8 is being developed by GM's Lotus subsidiary and the 12-cylinder by GM. GM, however, may decide to bring the V-8 inside and have Lotus build the 12-cylinder engine.

Neither will be ready before 1992 and both will go into all-new vehicles, sources said.

GM's plan would pit Cadillac against Jaguar's XJS, which also is powered by a 12-cylinder engine. BMW plans to offer a similar powerplant this fall. Rumors from Europe insist that Mercedes-Benz is also developing a V-12.

Lloyd Reuss, GM executive vice president in charge of North American car operations and the worldwide Truck & Bus Group, confirmed that a new Cadillac engine is in the works, but he declined to confirm details.

Other projects under development, according to Reuss, include: vehicles exclusive to Cadillac, vehicles exclusive to Oldsmobile and a family of Oldsmobiles built around the new multi-valve Quad 4 engine.

The moves are all part of GM's plan to emphasize design, technology and vehicles exclusive to a single car division, Reuss said.

In the last six years, GM has spent an unprecedented $43 billion on building and modernizing assembly and component plants. Capital spending will decline in the coming years, but spending on product

see GM, page 67

DEALING

U.K. megadealer scouts U.S. market

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

LONDON — Lex Service PLC, a $1.8 billion publicly held British automotive and electronics group and one of the largest car retailers in the world, may enter the U.S. car market through acquisition of an American megadealer.

Chairman Trevor Chinn said in an interview that Lex is interested in buying a multi-point organization with sales of $100 million to $150 million a year.

Lex then would aim at building a U.S. network with volume of at least $500 million, making it one of the biggest dealer groups in the country.

No deal is imminent, but Chinn said, "We do have people wanting to meet us."

The British group has had two

see LEX, page 68

Senate ignores imports' pleas in trade bill

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — The Senate turned a deaf ear to the pleadings of the import auto industry as lawmakers moved to wrap up trade reform legislation.

Importers and dealers took heart, however, in a veto pledge from U.S. Trade Representative Clayton Yeutter. Yeutter said, "There is no chance whatsoever" that the Senate trade bill can escape a presidential veto. Yeutter's threat came after the Senate dealt two big setbacks to the administration.

First, by a 55-41 vote, the Senate defeated an attempt to strip the trade bill of a provision strengthening protection for domestic industries hurt by imports. The National Automobile Dealers Association, the American Interna-

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Isuzu to add Bitter to U.S. line Page 2
Buick, Olds plan direct-mail incentives Page 3
Stocks dip despite drop in sales Pages 70-71

Buick, Oldsmobile plan direct-mail incentives

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

General Motors' pilot incentive program offering cash rebates of $200 to $1,500 to selected GM owners in four markets apparently will be adopted nationwide by some divisions this month.

The test programs have been successful in helping local dealers reduce inventories and bring customers back into their showroom. Buick dealers attending a regional marketing meeting last week were told the division will launch its own version of the owner's rebate program for Buick customers nationwide. One dealer attending the meeting, who spoke on the condition of anonymity, said Buick on July 10 mailed certificates to present Buick owners.

A reliable source close to Oldsmobile said the division also plans to launch a direct-mail rebate to Oldsmobile owners this month. The division is said to be planning to offer to Oldsmobile owners a choice between rebates — ranging from $300 to $500 in addition to current nationwide retail incentives — or 2 percentage points off low-interest loan rates currently available.

By Friday afternoon, other GM divisions had apparently not made a decision on the program.

GM's Owners First pilot incentive program runs from May 20 to July 31 in the Minneapolis, Cincinnati, Denver and Tampa, Fla., markets. GM is offering rebates to more than 2 million GM owners of 1970 to 1987 GM vehicles in those areas.

The rebates range between $200 and $1,000 in Minneapolis and Tampa and $350 and $1,500 in Cincinnati and Denver and can be used in addition to other incentives. There is no dealer financial participation. Advertising costs, number of customers contacted and letter formats vary in each of the markets. All GM vehicles are included in the program except Lotus, Cadillac Allante and medium- and heavy-duty trucks.

Under the 10-week regional program, the recipient of the letter or a member of his or her immediate family living in the same household can use the letter to receive the rebate. Rebates vary from vehicle to vehicle and buyers can receive bigger rebates if they purchase a vehicle made by the same division as their current vehicle.

Several GM dealers in the four market areas contacted by Automotive News last week said the program has been highly successful in generating sales. "Since the mailing, 45 percent of our car sales have been from Owners First certificate owners," said a large Tampa-area Buick dealer.

Rod Borcherding, owner of Pride Pontiac and Borcherding Buick, Cincinnati, said 45 percent of the June sales at his Pontiac franchise and 36 percent at his Buick franchise were covered by the program.

Rod Creighton, general sales manager at Superior Chevrolet, Cincinnati, said he likes the program because it is straightforward and less confusing than other GM programs offering rebates or cut-rate financing.

"Plus there is no dealer participation, which is a real nightmare," Creighton said.

"I think it's a viable program because it's believable; people can go in and make their best deal and then pull out the certificate," Borcherding said.

Dealers interviewed said the majority of Owners First buyers are purchasing vehicles from the same division as their present vehicle. Steve Cox, president of Cox Chevrolet, Bradenton, Fla., said only five of the 15 to 20 vehicles sold under the program at his store have been purchased by non-Chevrolet owners. An Oldsmobile sales manager in Minneapolis said 50 percent of the vehicles sold under the program were to owners of other GM makes.

Despite generally positive feedback for the program, there were some dissenters. Jack Douglas, general sales manager of Dew Cadillac, St. Petersburg, Fla., said the flurry of activity over the program lasted only 10 days at his dealership.

"I don't think you can run something for 40 days and have it be effective," said Douglas, who said he would rather see GM roll back prices than offer incentives.

Staff Reporter Edward Lapham contributed to this report.

BLAZER

GM may speed up models based on new C/K pickup

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — General Motors is considering introducing products derived from its new C/K full-size pickup earlier than planned. The products include the next-generation Blazer and Suburban.

"While we've introduced a new C/K platform, we certainly aren't done introducing more innovative components and ideas on those vehicles," said Lloyd Reuss, GM executive vice preident. "You're going to be seeing more of that over the next few years than perhaps a lot of people were expecting."

Reuss, who has added GM Truck and Bus to his responsibilities as head of North American car operations, said he recently reviewed Truck and Bus product and marketing plans with the group.

"They've laid out some very aggressive product plans as well as aggressive marketing plans," Reuss said. "We're going to continue to review them to see if we can't bring some of them to market faster than presently slated."

Reuss would not say for what year products based on the C/K platform are slated, but sources had said the next-generation full-size Chevrolet Blazer and GMC Jimmy, as well as the Suburban sold by both Chevrolet and GMC dealers, are scheduled for about 1992. Apparently, GM is trying to figure out how to move up that date.

Charles Katko, GM vice president and group executive for the Truck & Bus Group, has said it is unlikely that the next-generation Blazer, Jimmy and Suburban can be brought to market before 1990. Katko said the C/K platform will be a springboard for a whole new family of vehicles.

AUTOMOTIVE NEWS/JOE WILLSENS

Reuss: "While we've introduced a new C/K platform, we certainly aren't done introducing more innovative components . . . on those vehicles. You're going to be seeing more of that over the next few years than perhaps a lot of people were expecting."

GM introduced the new full-size pickup April 23. This fall, a stepside short-bed version will debut, Reuss said. Other models that will be derived from the pickup platform include an extended-cab version and a short-bed model.

"Those are niche vehicles that the competition doesn't have a direct competitor for," Reuss said.

DDA has Brazil deal, still seeks major link

By Joseph Bohn and Rik Turner
AUTOMOTIVE NEWS STAFF

The Detroit Diesel Allison Division of General Motors, following an abortive effort to link up with Deere & Co. earlier this year, is still seeking a major venture partner.

DDA has reportedly been focusing its attention on foreign engine manufacturers, like Mercedes-Benz, which are having trouble getting their diesel truck engines certified in the United States.

DDA also has just concluded a $10 million deal to produce automatic truck transmissions in Brazil.

And it is going full bore on a major new electronic truck transmission family, the so-called "six-pack," slated for introduction around 1990, officials confirmed.

Ludvik Koci, DDA general manager, declined to comment directly on DDA's continuing search for a venture partner.

Koci did, however, point out that the same excess capacity for diesel engines worldwide that first impelled DDA to seek out Deere still favors a joint venture.

"We're open to people who want to discuss ways of serving the market better. We've had some discussions," but none so far are "serious or official," Koci added.

"As an industry, we have to use our resources and services (more) effectively to market products," Koci said, adding that his worldwide competitors echo his view.

In fact, Koci said, "If you took a half-dozen names (diesel manufacturers) from the Far East, three or four in North America and a half-dozen from Europe and listed them all — I wouldn't be surprised if half the names on that list had scheduled discussions with the other half in the last six months."

DDA's strength as a potential partner, Koci said, lies in its heavy investments in electronic injection timing controls — the DDEC system that is optional on its Series 92 engines and is an integral part of its new Series 60 engines.

Koci regards electronic injection control as important to meeting future emission standards as well as engine management, diagnostics and maintenance.

He said he didn't have specific figures on the overcapacity that exists in diesel manufacturing, but he said that the non-highway mar-

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61st year—No. 5189

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World Congress to probe competition issues

The hyper-competitiveness of the world auto industry has created a number of problems. It has created the need to identify them and the need to solve them.

Three speakers will discuss ways and means to solve some of those problems, as well as problems created by the solutions to other problems, at the 12th annual Automotive News World Congress, to be held July 26-29 at the Hyatt Regency Hotel in Dearborn, Mich.

The three speakers who will discuss problems and solutions, many of them relating to the efficient ultilization of time, are: Robert M. Isenhour, senior vice president of the automotive sector business team at United Research Co. Inc.; Brian F. Newton, vice president of Scanner Solutions Inc.; and Thomas Hayalian, Ph.D., president of Peak Performance Systems.

The theme for this year's World Congress is "Facing Up to Competitive Times." Isenhour, Newton and Hayalian will speak Tuesday afternoon, July 28, when the daily theme will be "The Importance of a Global Perspective."

Isenhour has a degree in finance from the University of North Carolina plus management consulting expertise in a number of industrial areas, including automotive. He will talk about "Compressing the Engineering Cycle for Competitive Advantange."

His primary consulting thrust is improving corporate competitiveness through programs aimed at improved profitability, product quality enhancement and acceleration of the product development cycle.

Newton, whose company is an innovator in the development of bar-code technology, will deliver a presentation entitled "Scanning Solutions for Material Handling."

Scanner Solutions Inc. has designed, written and installed inventory-control systems for a number of large corporate clients, including General Motors.

When the pressures of developing hyper-competitive systems and solutions take their toll on the workforce, companies often turn to clinical psychologists to solve human behavioral problems. It is the kind of human development situation that Hayalian and his Minneapolis-based company, Peak Performance Systems, routinely face.

The topic of Hayalian's address, fittingly, is "Stress: Recognizing and Controlling It."

Hayalian has developed stress programs for automotive sales and service personnel who subsequently have shown increases in the amount of productive work time, increased concentration, stamina and emotional control, as well as fewer customer complaints, less coworker friction, less turnover, fewer errors and less stress-induced illness.

This year's World Congress will feature more than 30 speakers who will share their expertise and opinions on where the car and truck industry stands and where it is headed.

For further information, write: Automotive News World Congress, 1400 Woodbridge Ave., Detroit, MI 48207, or call (313) 446-6047. Overseas inquiries cable: 810-221-5122 AUTNEW.

Freightliner puts its name on anti-lock braking

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

EAST LIBERTY, Ohio — It was no-holds-barred as Freightliner Corp. demonstrated its new anti-lock braking system, the Freightliner/Wabco ABS, for reporters at the Ohio Transportation Research Center here.

The system was able to stop big speeding trucks straight as a string on a wet dime, and it enabled drivers to steer them smoothly through sharp wet curves while braking hard, without wheel lockup.

For many in the audience, there was a sense of deja vu. They had seen plenty of such demonstrations back around 1975 when Federal Motor Vehicle Safety Standard 121 was the law of the land and many companies were trying to develop anti-lock braking systems. However, the system Freightliner showed this time around was different in a number of significant ways.

Peter E. Rupp, Freightliner chairman, said, for example, the Freightliner/Wabco ABS is the first to which a truck manufacturer has lent its name.

It is an integral part of the vehicle. The electronic control module is in the cab rather than outside, exposed to the weather. Earlier systems were add-ons that wore the label of their makers, supplier firms.

Electronic components, such as the microcomputer in the new anti-lock braking system, are far more advanced than those of the Federal Motor Vehicle Safety Standard 121 era, he said.

And packaging and such features as filtering of electromagnetic interference have been improved dramatically.

Wabco ABS system keeps Freightliner on a straight course

Freightliner offering an anti-lock braking system is a bit of a surprise because Rupp has been an outspoken opponent of any headlong lunges into emerging technologies. He has said any advancements must come into use in an evolutionary manner and only as they meet rigid bottom-line criteria.

Rupp often has warned, "Technological overkill could lead to a technical nightmare for maintenance people."

He added, though, "In our ABS, there is no gimmickery, no electronic fun and games. There is vehicle perfomance, safety and efficiency.

"Given the proven ability of electronic ABS to enhance vehicle control, augment safety and reduce tire wear, we believe it represents a value-added option that will provide customers with an excellent return on investment. It is an example of technologic logic," he said.

Rupp also said, "Safety is a capital investment with a guaranteed return. And reduction of social cost, reduced human suffering, is an aim in itself."

The Freightliner/Wabco ABS for a truck or tractor carries a price tag of $3,750. The systems are covered by a three-year, 300,000-mile unlimited warranty.

A. Gordon Clark, senior vice president of sales and marketing, said the $3,750 is "about the same as many sleeper or body options."

Freightliner declined to discuss the price for trailer applications but one knowledgeable source said it would be "something less than half the $3,750."

The company said 34 systems already have been sold in the United States. Wabco has been selling a similar system in Europe since 1981 and about 60,000 have been installed on tractors there.

Testing of the Freightliner-designed anti-lock braking system has included 2.1 million miles run up on 23 vehicles. One unit has run for 238,700 miles with the system, said Peter Wolsdorf, senior vice president, engineering and technology.

Wolsdorf said the new system is not affected by brake size or pad or shoe material. However, a truck's foundation system, the basic brake layout, must be intact because there are no compensating abilities in the system. Brakes must be positioned properly and working properly, he said.

Gordon said several insurance companies have indicated they will reduce premiums on full-coverage insurance by 10 percent on tractors and trailers with the Freightliner/Wabco ABS.

Wabco is Westinghouse Air Brake Co., a subsidiary of American Standard Inc. of New York.

Light trucks set sales records for month, half

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Sales of light trucks in the United States continued at a record pace in June and for the first six months of calendar 1987.

Domestic truck companies, while giving up a small bit of market share to importers in June, still gained a half percentage point in market share for the first six months of the year.

Light-truck manufacturers retailed 456,535 vehicles in June, 13.9 percent more than last year. They retailed 2,344,879 vehicles for the first half of calendar 1987, up 3.6 percent over last year's previous record.

Importers retailed 80,244 light trucks in June, posting a 15.1 percent gain over last year. Their six-month sales of 448,851 were up 1.1 percent from last year's total.

Foreign truck companies captured 17.6 percent of the market in June compared to 17.4 percent last year. For six months of calendar 1987, their market share dropped to 19.1 percent from 19.6 percent in the 1986 period.

Domestic firms retailed 376,291 light-duty trucks in June, up 13.6 percent from last year. Their six-month total of 1,896,028 was up 4.2 percent from last year.

All the domestic manufacturers, except Chevrolet, posted gains last month, as did most of the importers, with the exception of Mazda, Isuzu and Subaru. Subaru is almost out of the truck business.

Chevrolet retailed 13,326 1988-model C/K pickups in June, up from 9,807 in May. It has retailed 33,120 of the new pickups so far.

GMC retailed 4,051 Sierra pickups in June, up from 2,645 in May. It has retailed 9,665 of the new pickups so far.

LIGHT-DUTY TRUCK SALES

	June 1987	June 1986	6 Mos. 1987	6 Mos. 1986
Vans	17,826	15,968	93,222	89,884
Aerostar	17,245	16,183	80,808	72,407
Club Wagon	2,548	2,442	14,648	14,361
Ranger	32,677	23,861	168,459	144,282
Bronco	4,388	4,253	25,127	23,992
Bronco II	12,087	8,388	56,607	45,328
Pickups	48,256	46,638	271,059	260,472
Ford	**135,027**	**118,733**	**709,930**	**650,726**
Vans	10,738	13,626	53,705	68,854
Sportsvan	1,049	1,803	6,264	9,236
Astro	15,903	15,026	75,153	77,040
S-10	22,303	19,428	115,709	110,711
S-10 Blazer	13,837	14,887	72,285	80,999
El Camino	1,326	1,936	6,696	11,782
Blazer	2,813	3,830	14,649	21,008
Suburban	5,979	6,245	27,318	29,920
Pickups	39,577	40,702	206,638	225,089
Chevrolet	**113,525**	**117,483**	**578,417**	**634,639**
Vans	7,632	7,528	35,435	38,529
Ram Wagon	3,735	4,077	16,863	22,475
Voyager	15,855	10,265	64,091	59,271
Caravan	16,800	10,802	68,375	61,391
Mini Ram Van	1,388	1,607	6,889	8,176
Ram 50	6,190	5,593	35,086	37,362
Raider	1,805	0	8,932	0
Ramcharger	2,301	2,023	12,500	11,397
Dakota	11,689	159	53,824	159
Pickups	9,738	8,010	51,725	47,346
Chrysler	**77,133**	**50,064**	**353,720**	**286,166**
Vans	3,768	3,756	19,395	19,009
Safari	3,540	3,214	16,316	16,518
S-15	4,855	4,471	24,556	25,870
S-15 Jimmy	3,511	3,681	17,782	19,587
Jimmy	811	784	4,100	4,222
Caballero	190	248	857	1,463
Suburban	1,884	1,870	9,559	10,686
Pickups	11,182	16,082	56,386	56,467
P Model	403	427	2,790	2,229
W-4	124	101	696	587
GMC	**30,268**	**28,634**	**152,437**	**155,423**
Wrangler/CJ	3,318	3,050	15,133	17,164
Wagoneer	1,149	830	6,329	5,069
Cherokee	10,010	8,580	52,604	47,985
Grand Wagoneer	1,206	1,225	6,372	7,411
Comanche	4,427	2,368	20,197	14,562
J-10/J-20	228	166	889	806
Jeep	**20,338**	**16,219**	**101,524**	**92,997**
Toyota	253	24,659	129,841	179,555
Nissan	25,172	16,729	117,638	110,025
Mazda	23,029	14,962	72,360	74,592
Isuzu	11,184	7,192	49,675	41,735
Mitsubishi	7,115	2,008	27,494	16,198
Suzuki	5,109	3,926	42,051	20,549
Subaru	8,320	251	9,255	1,512
Range Rover	62	0	531	0
Imports	**80,244**	**69,727**	**448,851**	**444,168**
Industry Total	**456,535**	**[illegible]**	**2,344,879**	**2,264,117**

Compiled by Kevin Dobrowski

$87 BILLION

Congressmen say their deregulation bill could save carriers that much in 5 years

WASHINGTON — Two congressmen have introduced bipartisan legislation for the complete deregulation of the trucking industry. They said it could save $87 billion during the next five years.

Reps. Tom Delay, R-Texas, and Jim Moody, D-Wis., said the legislation would improve efficiency, increase competition and reduce paperwork in the truck industry.

Delay said that savings were the equivalent of a $1,440 tax cut for every family of four over a five-year period.

Delay is a longtime advocate of trucking deregulation. He said the bill, H.R.2591, or the "Trucking Productivity Improvement Act of 1987," would further enhance the productivity gains achieved by the Motor Carrier Act of 1980.

"Under the proposal, the truck industry would be free to operate just like other businesses in the free market system, rather than being subject to stringent economic government controls," Delay said.

It would eliminate the remaining economic controls on the trucking industry and provide additional incentives for increased efficiency and competitiveness of motor carrier operations, he said.

"While regulation of trucking might have made sense in the 1930s, there's no reason why the government should be telling the trucking industry how much it can charge for its services," Delay added.

The bill also would end antitrust immunity for collective ratemaking, "which has proven to unnecessarily raise rates," according to the congreesman, and abolish all remaining entry and rate regulation of the trucking industry.

Delay is a member of the Transportation Subcommittee of the House Appropriations Committee and a former member of the Public Works and Transportation Committee. He said that transportation amounts to 25 percent of the cost of manufactured products in this country.

Delay said he anticipates that an identical version of the Trucking Deregulation Bill soon will be introduced in the Senate.

In its specifics, the bill calls for:

- Eliminating Interstate Commerce Commission entry requirements for motor carriers of property.
- Eliminating ICC tariff filing requirements for motor carriers.
- Eliminating ICC power to grant antitrust immunity to motor carriers for collective ratemaking.
- Ending ICC regulation of rates set by motor carriers of property.
- Retaining common carriers' liability for loss and damage (Carmack Amendment), but allowing carriers to offer contracts with reduced liability as long as they also offer a full-liability contract.
- Prohibiting any state or related entity from regulating interstate or intrastate rates, routes or services of any owner or operator of a commercial motor vehicle as long as it transports property in interstate commerce.
- Making motor carriers of property subject to the Federal Trade Commission Act and the Clayton Antitrust Act.
- Requiring foreign motor carriers to comply with all U.S. safety, financial responsibility and tax requirements.
- Requiring the Department of Transportation to report, within two years, on the implementation of the National Governors Association's consensus agenda for uniform administration of state truck taxes.

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June car, truck sales climb in Canada

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

A healthy economy and a wide range of sales incentives boosted sales of North American-built cars and trucks in Canada in June.

Sales of North American-built cars climbed 8.46 percent in June from the year-earlier total. Truck sales rose a whopping 31.76 percent.

"Sales are strong because we have some incentives out there and a generally healthy economy with economic indicators up," said Jerry Kuzemchak, manager of marketing analysis, General Motors of Canada.

Canadian dealers delivered 79,627 North American-built cars in June, compared to 73,418 in June 1986. Truck sales totaled 43,367 in June, compared to 32,913 a year ago. June sales rose significantly from the prior month, when dealers delivered 69,439 domestic cars and 36,993 domestic trucks.

For the first six months of 1987, sales of North American-built cars totaled 402,015, down 3.44 percent from 416,318 in the 1986 period. Trucks sales rose 12.08 percent, totaling 208,221 this year, compared to 185,786 last year.

GM, Ford of Canada and Chrysler Canada continued to offer low finance rates or cash rebates on selected cars and trucks in June.

GM offered 3.9 percent to 9.9 percent financing or $750 cash rebates on some models; in Ontario, it offered only low financing. Ford offered 3.9 percent to 9.9 percent loans or cash rebates of $500 to $1,000; in Ontario, Ford offered only rebates. Chrysler offered rebates between $500 and $1,500 in all provinces.

Of the six domestic automakers, three — GM, Ford and Honda — increased domestic-car sales in June compared to a year earlier.

Ford reported an all-time June sales record for cars: 23,812, a 30.21 percent increase over the 18,288 sold in June 1986. The previous June record was 23,556, set in 1978. The most popular Ford model last month was the Ford Tempo with sales of 5,891, an any-month record for Tempo.

"High quality products, competitive prices and good availability of models in dealer stock combined to produce a record month for Ford," said Jack G. Clissold, vice president of sales and marketing, Ford of Canada.

In addition to its domestic cars, Ford sold 38 Merkur XR4Ti models, 1,164 Mercury Tracers and 46 Scorpios.

GM's domestic-car sales rose 5.92 percent to 39,990 from 37,756 in June 1986. In addition to its North American-built cars, GM sold 1,476 Suzuki-built Chevrolet Sprints, 1,232 Suzuki-built Pontiac Fireflys, 208 Isuzu-built Chevrolet Spectrums and 149 Isuzu-built Pontiac Sunbursts.

The Pontiac 6000 was the most popular GM car in June with 4,325 units sold.

Sales of Chevrolet's new Corsica and Beretta increased 52.68 percent, to 1,423 from May's 932. Tempest, Pontiac's version of the Corisca, increased 50.82 percent to 825 from May's 547.

The third automaker to show "increased" domestic-car sales for the month was Honda, but that is because it wasn't selling North American-built cars in the country one year ago. Honda sold 1,399 domestically produced cars in June. In addition, it sold 4,763 Japanese-built Hondas and 555 Japanese-built Acuras during the month. Acura, too, has no year-ago comparison: Importation began in March. But sales of imported Hondas in June 1986 numbered 6,136.

Chrysler's domestic-car sales dropped 15.35 percent to 13,807 from 16,311 in June 1986. A Chrysler spokesman said the company's car sales are suffering from the absence of the low-priced Omni/Horizon Expo models (called America in the United States). Those cars are temporarily out of production as Chrysler moves tooling to a new plant.

"There is no question we are missing the Expo cars here; it's a very competitive marketplace in Canada," the spokesman said.

Chrysler also sold 678 Mitsubishi cars and 29 Peugeot cars in June.

AMC sold 26 Eagles in June compared to 25 last June. It sold 374 domestic Renault cars in June, a 52.54-percent drop from 788 a year earlier. AMC also sold 356 imported Renaults last month.

Sales of Canadian-built Volvos dropped 12.40 percent to 219 from 250 in June 1986. However, sales of Volvo imports climbed 8.28 percent to 549 from 507 a year earlier.

"The 240-series car (assembled in Volvo's Halifax, Nova Scotia, plant) is considered an older model while the 740-series car (built by Volvo in Sweden) is more appealing to customers," a Volvo of Canada spokesman said.

GM was the leader in truck sales in June. GM sold 17,365 trucks, a 24.60 percent increase over the 13,937 sold in June 1986.

GM also sold 100 Isuzu-built trucks last month.

Ford set an any-month truck sales record in June, selling 15,537, a 36.21 percent increase over the 11,407 sold in June 1986. The previous record was set in April when Ford sold 15,293.

Chrysler also set an any-month record, selling 8,438 trucks, a 30.92-percent increase over the 6,445 sold a year earlier. Chrysler's old monthly truck sales record was 8,398, set in April. It also sold 335 Mitsubishi trucks in June.

AMC showed the largest percentage increase in truck sales in June. It sold 2,027 Jeeps, a 80.34-percent increase over the 1,124 sold a year earlier. Cherokee was the best-selling Jeep in June.

CANADA MARKET SHARES June 1987

Cars	
General Motors	50.22%
Ford Motor Co.	29.91%
Chrysler Motors	17.34%
American Motors	.51%
Volvo	.26%
Honda	1.76%
Trucks	
General Motors	40.04%
Ford Motor Co.	35.82%
Chrysler Motors	19.46%
Jeep	4.68%

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	June 1987	June 1986	Pct. Change	6 mos., 1987	6 mos., 1986	Pct. Change
AMC						
Cars	400	813	−50.78	2,514	4,927	−48.98
Jeeps	2,027	1,124	+80.34	10,513	7,113	+47.78
CHRYSLER						
Cars	13,807	16,311	−15.35	82,657	87,010	− 5.00
Trucks	8,438	6,445	+30.92	40,060	33,427	+19.84
GM						
Cars	39,990	37,756	+ 5.92	200,569	218,243	− 8.10
Trucks	17,365	13,937	+24.60	83,366	78,821	+ 5.77
FORD						
Cars	23,812	18,288	+30.21	110,772	104,738	+ 5.76
Trucks	15,537	11,407	+36.21	74,280	66,425	+11.83
VOLVO						
Cars	219	250	−12.40	1,192	1,402	−14.98
HONDA	1,399	—	—	4,312	—	—
TOTAL CAR	79,627	73,418	+ 8.46	402,015	416,318	− 3.44
TOTAL TRUCK	43,367	32,913	+31.76	208,221	185,786	+12.06

Magna wagon: result of 30 months of development

Wagon vital to Mitsubishi Australia

By Pedr Davis
SPECIAL CORRESPONDENT

ADELAIDE, Australia — Mitsubishi Motors Australia is treating its latest baby, the Magna wagon, as if the company's future depends on it. To a great extent, it does.

The company, which now has about 13 percent of the local market, said Magna will be the only model it builds in Australia by 1990. "And when you make just one model," said Chief Executive Graham Spurling, "you simply can't afford to get it wrong."

Two years have passed since the four-cylinder Magna sedan was introduced to an almost unanimous roar of praise. But the entire industry has plunged into depressed days, forcing carmakers to trim production, prune costs and reduce model lineups. There are predictions that 1987 sales will be the worst in 20 years.

Until now, there has been no wagon version of Magna, yet the sedan has consistently held third place on the best-sellers' chart. Only the six-cylinder Falcon and Commodore (both with wagon models) do better.

Spurling said the long-running Sigma has been completely phased out but the other locally built Mitsubishi — the smaller Colt — will continue in sedan and hatchback form until 1990.

"For the rest of our requirements, we will either import or perhaps buy locally from another manufacturer," he added.

The Magna wagon is mechanically similar to the sedan, with a 2.6-liter Astron engine available in carburetor and fuel-injected form. It is the result of 30 months of development and an enormous amount of market research.

Spurling said that market research has been the key to the project. "Everything we did came out of the customer's needs and requests," he said.

Nissan Australia casts its eyes on performance

DANDENONG, Australia — Nissan Australia plans to set up its own design, development and manufacturing facility to build limited numbers of high-performance and special vehicles.

It will be called the Special Vehicles Division and will be housed in a new facility adjacent to Nissan Australia's main office here.

The division will be headed by Paul Beranger, Nissan's former product planning and design manager. He is setting up the facility and hiring a staff so that production can start as soon as possible.

The new division will work closely with Nissan's international competition department in Australia and Japan.

"This naturally means that our vehicles will have a strong performance flavor, although it is our intention to also develop models for special commercial and off-road applications," Beranger said.

The first program for the new division will be to prepare vehicles for the Australian Grand Prix that will be held in Adelaide later this year. Nissan Australia is the major on-course sponsor of the event.

The vehicles will include 27 cars for the celebrity race, plus two modified Skyline pace cars. They will be followed in early 1988 by a series of limited-edition models to be marketed nationally through select Nissan dealers.